

Appendix 1(3): Why Does It Matter?
(Appendix to Trachtenberg, *The Later Cold War*)

I argued in chapter one that, contrary to what is often said, people both in the West and in the Soviet Union itself began to see how serious the Soviet economic problem was very early on—in the mid- and late 1960s. Not just that, but the analysis developed by experts in this area was more impressive intellectually than people realized after the Cold War was over. Those findings were important for me because my main interest was in understanding why the Cold War ran its course the way it did, and the economic problem, if it was understood, was bound, I felt, to have an important impact in this area.

But they were important for other reasons as well, and I'd like to talk about some of them here. The analysis in that chapter also matters, first of all, because of the light it sheds on the way the political process works in countries like the United States. Many scholars like to think that "the marketplace of ideas" ensures that public discourse in liberal democracies will meet certain standards—that because public figures, including prominent journalists, will be held accountable for misrepresentation and for its consequences, they have a strong interest in getting their facts right, so that if a factual claim is broadly accepted, one can pretty much assume that it is correct. But those mechanisms are much weaker than many people think, and it is in fact shocking to see what even major figures were able to get away with.

Consider, for example, Senator Moynihan's charge in 1990 that while *he* had been able to see in 1979 that Russia might blow up, in large part because Soviet economic growth was coming to a halt, "our intelligence community just couldn't believe this. They kept reporting that the economy was soaring!" If the U.S. government had been able to see what he had seen, it would not have had to virtually bankrupt itself by engaging in a massive but utterly unnecessary military buildup and could have just waited the Soviets out.¹ But in the 1979 article he was referring to, the economic figures he cited were in line with the data the CIA was releasing at the time and indeed may well have been where Moynihan's figures had come from.² He had also predicted in 1979 that the USSR, as a power in decline (like Austria-Hungary in 1914, he said), would pursue an increasingly aggressive policy and might try to seize the "oil fields of the Persian Gulf": Soviet military power had "never been greater"; "the short run looks good, the long run bad. Therefore move." But that argument scarcely suggested that a major U.S. military buildup was unwarranted.

There was also a problem with Moynihan's evidence, or really the lack of it. In his many writings and speeches dealing with the subject, he did not cite specific assessments the CIA had made at the time. As Bruce Berkowitz points out, he relied instead mainly on one striking source: former CIA director Turner's admission, in a 1991 *Foreign Affairs* article, that no one in the agency appeared to recognize how serious the USSR's economic problem was. The CIA analysts, Turner suggested, had failed to see that the Soviets were suffering from a "growing, systemic, economic problem." "Neither I nor the CIA's analysts," he wrote, "reached the conclusion that eventually something had to give." His basic point was

¹ Daniel Patrick Moynihan, "How America Blew It," *Newsweek* 116, no. 24 (December 10, 1990), p. 14. For the 1979 article, see Daniel Patrick Moynihan, "Will Russia Blow Up?" *Newsweek*, November 19, 1979, p. 144 ([link](#)).

² Thus he referred in that 1979 article ([link](#)) to how the Soviet economy had been growing at "better than 6 percent in the 1950s," but was "barely half that" in the 1970s, and he also noted that "productivity increases are about at zero." Those figures are in line with CIA estimates at the time: in the important CIA paper "Soviet Economic Problems and Prospects," released by the Joint Economic Committee in 1977 ([link](#)) ([alt link](#)), the Soviet economy was said to be growing at a rate of 5.8% in the 1950s but only 3.7% in the first half of the 1970s (p. 2), and factor productivity was presented as actually declining slightly in that period (p. 10).

clear: “We should not gloss over the enormity of this failure to forecast the magnitude of the Soviet crisis.”³ And yet the major CIA study on the subject released in August 1977, not long after Turner had taken the top job at the agency, analyzed the issue in some detail: the “long-standing” economic problems, it said, were “likely to intensify”; solutions would not be “easy to find”; “a marked reduction in the rate of economic growth in the 1980s seems almost inevitable”; given the seriousness of the problem, Soviet leaders were very likely “to consider policies rejected in the past as too contentious or lacking in urgency.”⁴ Turner himself, in congressional testimony for four years in succession, took much the same line. The Soviet growth rate, he said, had fallen and the decline would continue; the economic outlook was “bleak”; Soviet leaders would try to “muddle through” but that policy was not “tenable in the long run”; indeed, “the economic picture might look so dismal by the mid-1980s that the leadership might coalesce behind a more liberal set of policies.”⁵ In fact, in his first speech after assuming the directorship he said the Soviet economy was in trouble and predicted that the Soviet leadership was “going to be facing some very difficult periods.”⁶ And, as noted above, he himself had stated in 1979—and this contradicts, almost word for word, his claim in the *Foreign Affairs* article—that the “low growth rates we envision for the mid-1980s could squeeze their resources to the point where something has to give.”⁷ All this was a matter of public record; it should have been easy to see how misleading Turner’s remarks in the *Foreign Affairs* article were, and indeed it should have been easy to see that Moynihan’s claim that the CIA had “kept reporting” that the Soviet economy was “soaring” was utterly baseless. Yet no one pointed these things out at the time; the press tended to take what Moynihan, and Turner, had said about a huge intelligence failure at face value.

This is just one case among many, but it does suggest that there is much less accountability in the U.S. political system than many scholars would have us believe. And that point is certainly worth noting, not least because it relates to common ideas in the contemporary international relations literature about “audience costs,” the “open marketplace of ideas,” and so on. But the findings here are also important because of the light they shed on the issue of whether social science can be of real value in practical political terms. Malia, of course, had argued that when it came to giving insight into the big issues, social science in general, and economics in particular, had not made much of a contribution. Other writers took much the same view. Even so careful a scholar as David Engerman, in his important book on America’s Soviet experts, saw economic Sovietology peaking in the early 1960s before going into a “steady decline that long preceded the Soviet Union’s.” The scholars in

³ Stansfield Turner, “Intelligence for a New World Order,” *Foreign Affairs* 70, no. 4 (Fall 1991) ([link](#) to free version; [link](#) to HeinOnline facsimile), p. 162, and Bruce D. Berkowitz, “U.S. Intelligence Estimates of the Soviet Collapse: Reality and Perception,” *International Journal of Intelligence and Counterintelligence* 21, no. 2 (2008) ([link](#)), pp. 244-45. A slightly different version of the Berkowitz article originally appeared in Francis Fukuyama, ed., *Blindside: How to Anticipate Forcing Events and Wild Cards in Global Politics* (Washington: Brookings, 2007) ([link](#)).

⁴ “Soviet Economic Problems and Prospects,” July 1977, CIA Freedom of Information Act Electronic Reading Room website [CIAERR] ([link](#)) and JEC version ([link](#)). All the quotations come from the summary at the beginning of the report.

⁵ Quoted in Douglas MacEachin, “CIA Assessments of the Soviet Union: The Record Versus the Charges” ([link](#)) (alt [link](#)), appendix ([link](#)). MacEachin gives extracts from Turner’s testimony to Congress in 1977, 1978, 1979 and 1980, all of which make the same basic point.

⁶ “Soviet Economy Said Unwell,” *Washington Post*, August 6, 1977 ([link](#)).

⁷ U.S. Congress, Joint Economic Committee, *Allocation of Resources in the Soviet Union and China, 1979*, part 5 (July 1979) ([link](#)), p. 11.

that field should have helped other Soviet experts understand what was going on with the USSR's economy, but, according to Engerman, they failed to do so.⁸

My own assessment is obviously rather different. The body of thought that the economists working in this area had developed was quite impressive in conceptual and not just empirical terms; it provided real insight into what was going on in the USSR, and even some insight into how things might develop. Economists like Bergson did not provide the world with a crystal ball. What they did provide was a very useful framework for thinking about the Soviet Union, and, indeed, in principle for thinking about what U.S. policy toward that country should be.

And there is yet another reason this whole story matters: it throws a good deal of light on what was going on in the Soviet Union during the Brezhnev period. It was common, especially in the late 1980s, to view the Brezhnev years as an “era of stagnation,” and it certainly seemed that the Soviet leadership could not bring itself to even consider fundamental changes in the basic structure of the system. But it is now clear that below the surface the sense was growing that things could not go on as they were indefinitely, and that sooner or later major decisions would have to be made. Gorbachev himself had come to that conclusion well before he became general secretary; he kept his views mostly to himself, but he eventually opened up with others who had also reached fairly radical conclusions—with Alexander Yakovlev during a trip to Canada in May 1983 and with Eduard Shevardnadze even earlier.⁹ The conservative journalist Bernard Levin had predicted in 1977 that this was the way fundamental change would take place: that people were coming into positions of power in the USSR who had “admitted the truth about their country to themselves” and had “vowed, also to themselves, to do something about it,” and that eventually they would “look at each other and realize that there is no longer any need for concealment of the truth in their hearts.” At that point, he wrote, the match would be lit.¹⁰ And looking back it does seem that something of the sort was going on in the Soviet Union in the years right before Gorbachev came to power in 1985.

All this is worth noting, but these points lie somewhat outside the main thrust of the argument of the book. In that context, the findings are important for only one reason: because they have a direct bearing on how international politics in the later Cold War is to be understood. They therefore serve as a springboard for the analysis in the chapters that follow.

⁸ David Engerman, *Know Your Enemy: The Rise and Fall of America's Soviet Experts* (New York: Oxford University Press, 2009), pp. 125-26 ([link](#)).

⁹ See David Hoffman, *The Dead Hand: The Untold Story of the Cold War Arms Race and Its Dangerous Legacy* (New York: Doubleday, 2009), pp. 183-87; and William Taubman, *Gorbachev: His Life and Times* (New York: Norton, 2017) ([link](#)), p. 162 (for Shevardnadze), and pp. 179 and 188 (for others who felt the same way).

¹⁰ The original article appeared in the *Times* of London in September 1977. It was republished as Bernard Levin, “One Who Got It Right,” in the *National Interest* 31 (Spring 1993), pp. 64-65, and is quoted in Seymour Martin Lipset and Gyorgy Bence, “Anticipations of the Failure of Communism,” *Theory and Society* 23, no. 2 (April 1994) ([link](#)), pp. 200-210.